

# R ESEARCH HIGHLIGHT

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## LIFE LEASE SUPPORTIVE HOUSING: COMBINING THE BEST ASPECTS OF HOUSING AND COMPLEX CARE

### INTRODUCTION

The demand for supportive housing<sup>1</sup> in Canada has been linked to growth in the numbers of people over the age of 75. By 2031, the population over age 75 is expected to grow by 277 per cent to about four million persons, and the 85-plus group is expected to more than triple to just over 1 million people.<sup>2</sup> This suggests that a wide range of housing solutions will be needed to provide these age groups with choices that reflect their individual circumstances and preferences.<sup>3</sup>

Laurier House is a new and innovative model of supportive housing, the only model currently available that fully substitutes for a traditional long-term care facility.<sup>4</sup> It delivers, in a condominium-like setting, sufficient services to allow seniors to age in place even when their health seriously deteriorates. *The CAPITAL CARE Group* in Edmonton, Alberta, a provider of facility-based long-term care services, developed the model, which is wheelchair accessible and designed to facilitate the provision of healthcare, and built two examples; one, Laurier House Strathcona (LHS), located in the Edmonton suburban community of Sherwood Park, is the subject of this study.<sup>5</sup>

### Objectives

A major objective of this study was to obtain information on the deliberations that led senior clients and their families to choose LHS over other options like traditional supportive housing and long-term care centres. This information should be useful to others who might wish to develop similar types of supportive housing elsewhere.

The following were the specific objectives of the study:

1. To describe the needs of clients or potential clients, their spouses, and their families
2. To identify the clients' resources, both financial and social
3. To identify the reasons for, and influences regarding, the choice of residence
4. To determine the reasons for, and influences regarding, the choice of life lease accommodation
5. To determine whether LHS meets the needs of the client, from the perspective of all parties
6. To determine the types of advice professionals offer to clients during the clients' transition from home to residential long-term care.

<sup>1</sup> "Supportive housing is a term used to describe a range of housing options designed to accommodate the needs of seniors through design features, housing management, and access to support services. At one end of the range, supportive housing refers to congregate housing with supportive features and services such as monitoring and emergency response, meals, housekeeping, laundry and recreational activities. At the other end of the range (referred to in most North American jurisdictions as "assisted living") personal care services are also provided for frailier seniors with more significant support needs. Professional services may be provided on a home-care basis in a supportive housing setting as they would be if the resident were living in a different kind of (non-supportive) residential setting. Supportive housing may be provided by either the public or the private sector, for profit or not for profit. In some cases, one provider will be responsible for delivering the whole supportive housing package (services plus housing). In other cases services and housing components will be delivered separately, by different sectors. Supportive housing can be rented, purchased as a condominium in fee simple, or obtained through a life lease." Quoted from 2005 CMHC research report "A Legal Framework for Supportive Housing for Seniors: Options for Canadian Policy Makers."

<sup>2</sup> Statistics Canada, 1994, as cited in *Supportive Housing for Seniors*, Canada Mortgage and Housing Corporation, 2000.

<sup>3</sup> Gnaedinger, N. (1999). *Supportive housing for seniors in the new millennium: A position paper*. Vol. 9(1), 1-5.

<sup>4</sup> Long-term care facilities are primarily engaged in providing inpatient nursing and rehabilitative services. The care is generally provided for an extended period to individuals requiring nursing care. These establishments have a permanent core staff of registered or licensed practical nurses who, along with other staff, provide nursing and continuous personal care services.

<sup>5</sup> The other Laurier House model example was previously built in the City of Edmonton.



## Background: Laurier House Strathcona

LHS was designed to enable elderly couples to continue to reside together while receiving services equivalent to those offered in Alberta's long-term care facilities. The costs of healthcare at LHS are publicly funded by the health region and clients must go through the same screening process as they would to be admitted to a long-term care facility.<sup>6</sup> Other supportive housing may accommodate couples when one or both of the couple require complex healthcare but, typically does not provide 24-hour access to in-house skilled nursing.<sup>7</sup> Traditional long-term care facilities cannot afford to allow a well spouse or companion to share a room.<sup>8</sup> Thus, when one member of a couple needs complex healthcare, the couple face a dilemma. Typically, one spouse moves to a long-term care facility while the other remains in the current home. This has been called "divorce by nursing home".<sup>9</sup>

One unique feature of LHS is that it utilizes life leases to separate or "unbundle" the costs of various services that are provided, allocating them to either the client or the public health system. Housing costs, a private expense, are separated from the costs of both publicly-funded personal support services and housing-related support services. The client traditionally pays the latter in long-term care facilities—these are sometimes referred to as the hospitality costs or "room and board." The unbundling of such costs is a concept advocated by advisors to both federal and provincial governments.<sup>10</sup> By using life leases, LHS was built without government money, which is unusual in the health care sector. The operator was able to fully recover the cost of construction through the sale of life leases and do this relatively quickly. Although a bank loan was necessary to launch the project, the financial risk to the operator was minor because the operator is well known as the publicly-owned provider of facility-based long-term care in the health region.<sup>11</sup>

In LHS, the funds from the sale of the life leases enabled the operator to allocate more space for the client—a one—or two-bedroom suite with approximately 600 sq ft or 800 sq ft, respectively. This is in contrast to the 120 sq ft of private space recommended for a traditional long-term care facility.<sup>12</sup> By offering larger suites and other features more consistent with private for-profit housing,<sup>13</sup> the operators were able to market LHS competitively.

LHS was built on a healthcare campus that includes a traditional long-term care facility (built in 1994) and a centre for people suffering from Alzheimer's disease (built in 2001). LHS opened September 17, 2001. It is a wood frame two-story building with 42 suites (one and two-bedroom) and is physically linked to the other two centres. Outside, LHS has the appearance of a residential development, and inside, it looks like a small hotel. At the front entrance, a reception desk at the side lobby serves visitors to LHS and the Alzheimer care centre. The LHS dining room occupies a central location on the main floor and its kitchen operates like a restaurant with limited hours. The manager has an office near the dining room, but no "nursing office" is evident. The exterior of the building looks like a housing development. A natural aspen grove shades the back of the property. The grounds include a walking path, a large sheltered patio, and grassed areas around the individual patios of the main floor suites. All but three of the second floor suites have balconies.

## METHODOLOGY

Information was gathered through structured interviews using both scaled and open-ended questions. Client, companion, and family member interview participants came from three sources: a list of people who had spoken to the manager of LHS and expressed interest, additional names provided by participants who were interviewed for the study, and temporary residents who moved into LHS.

Interviews were held at three times: Time 1 (T1) while the participants were considering the purchase of a life lease, Time 2 (T2) a month after clients made the decision to move into LHS, and Time 3 (T3) approximately one year after clients had moved into LHS. During interviews, clients, their spouses, and their family members were asked what they liked and disliked about life leases, and other pertinent questions. The initial interview asked why the clients were considering a move and the level of their knowledge of life lease arrangements. In addition, they were asked about the extent of clients' needs, their health status, current living arrangements, dissatisfaction with the current environment, and priorities for a new location. The T2 interview focused on factors that had influenced the decision of the client with respect to the

<sup>6</sup> The term client is used in this report to describe a person in need of support and healthcare services.

<sup>7</sup> A second person who may live in the client's suite might be a sibling, spouse, companion, or an adult child. This second person may require no, some, or even complex healthcare services.

<sup>8</sup> Building costs and building maintenance typically are subsidized by the healthcare system and government funding for staffing depends on the healthcare needs of clients.

<sup>9</sup> Gladstone, J. (1992). Identifying the living arrangements of elderly married couples in long-term care institutions. *Canadian Journal on Aging*, 11(2), 184-196.

<sup>10</sup> Policy Advisory Committee on Long-Term Care Review, 1999. National Forum on Health. (press release, August 31, 1998 pg 3). Letter to the Federal Minister of Health Allan Rock. Ottawa: Health Canada.

<sup>11</sup> The Edmonton Rural Auxiliary Hospital and Nursing Home District No. 24 was established in 1964 to provide public continuing care (long-term care) in the greater Edmonton area. In 1991, the name was changed to *The CAPITAL CARE Group* (TCCG). When healthcare was regionalized in Alberta in 1995, the organization became a wholly owned subsidiary of the health region, the Capital Health authority, comprised of the capital city, Edmonton, and the surrounding area. TCCG operates all publicly owned continuing care centres (i.e., long-term care centres) in the health region.

<sup>12</sup> Health and Welfare, Canada. (1979). Geriatric units in hospitals. Geriatric day hospital: Guide lines. Ottawa, ON: Author

<sup>13</sup> Approximately 60 per cent of floor space is devoted to suites and 40 per cent to areas shared by residents, such as dining rooms.



move, as well as the level of satisfaction with services at the new location. The focus for the final interview with clients and spouses was on current needs, level of satisfaction with current services and location, and their thoughts on the life lease concept.

## FINDINGS

### **Objective 1: To describe the needs of clients or potential clients, their spouses, and their families**

Declining health of clients or potential clients or their caregiver's and the need for greater amounts of support services were the major reasons for clients, or potential clients, their spouses and their families to consider a move. Interestingly, spouses and family members were more concerned for the clients' health than were the clients themselves.

At the T1 interview, clients and their family members expressed some disagreement about whether the clients would move. Although 94 per cent of family members believed clients were considering a move, only 72 per cent of clients were in accord. In most cases, clients and their families said that the plan to have the client move was precipitated by either the client's or their caregiver's decline in health; the need for increased amounts of services was said to be at the root of the need to move. A large majority of spouses (75%) said it was important to them that the clients receive more support services (this included healthcare services). In contrast, only 37 per cent of clients said receiving more assistance was important to them. The clients suggested that the amount of service was the issue, rather than the particular types of services.

Families often appeared to be enmeshed in caring for the clients and in the clients' decisions to move; and they were actively seeking a new residential location for the client, sometimes without the knowledge of the client. Families may have viewed a move as inevitable or may have been seeking respite because they were providing substantial support to clients. At the T1 interview, the majority of family members reported assisting clients with transportation (70%), grocery shopping (70%), cooking at the clients' location (76%), delivery of hot meals (73%), heavy cleaning (70%), and laundry (64%).

### **Objective 2: To identify the clients' resources, both financial and social**

Potential clients had substantial financial resources at T1. Twenty of the 30 clients who moved to LHS had owned their home. The majority had sold their home to make the lump sum payment to purchase a life lease at LHS, but slightly more than one-third did not have to do that. Most participants indicated that they spent between 30 per cent and 40 per cent of monthly income on total shelter costs and this was not financially difficult for them. In addition, most indicated that they were not concerned that LHS charged higher monthly fees than traditional long-term care facilities. Nine clients, however, were receiving the Federal Government Income Supplement, which implies they had fewer resources than the average senior.

Potential clients also had substantial social support at T1. Most of the 35 clients lived with other people; thirteen were living with their spouses in the community; and in one instance, the spouse and client were living with an adult child. Most clients had lived in their home for many years and home modifications had been made to accommodate their needs.

### **Objective 3: To identify the reasons for, and influences regarding, the choice of residence**

Spousal interest in being able to continue to live with the client influenced the clients' decision to move to LHS.

Clients and their spouses were questioned at the initial interview about moving into LHS together. All married clients (50% of clients) expressed interest in moving with their spouse. Two unmarried clients (8%) were interested in having a companion (a sibling or friend) move with them. A substantial majority of spouses (86%) were interested in moving with their spouse (a client). All the family members of married clients said the client was interested in living with a spouse.

Unmarried clients appeared to be interested in LHS because it offered a suite in contrast to the comparatively smaller space they would have in a long-term care facility (where bedrooms are typically shared). Many clients (42%) said they did not wish to live with someone else. Most family members of these unmarried clients (82%) believed the clients would not want to live with a companion in a long-term care facility.



#### **Objective 4: To determine the reasons for, and influences regarding, the choice of life lease accommodation**

Data collected suggests that potential clients', their spouses', and family members' interest in LHS did not stem primarily from its life lease arrangements. Family members agreed at T2 that the single most important reason for purchasing a life lease was the clients' determination to live at LHS. Many participants seemed to be unfamiliar with the life lease features and felt generally uncomfortable in explaining them. All of the participants, however, believed their life lease investment was secure.

Participants were asked at the T1 interview if they would consider a life lease option for the client if the client decided to move. A substantial majority said yes (76% of families, 85% of spouses, and 75% of clients). Clients and spouses were less approving of life leases than family members were, but they also had less understanding about life lease contracts and related matters such as lump sum payments, monthly payments, termination of lease, and resale.

At T2, one month after clients made a decision to move into LHS, it was expected that participants would be knowledgeable about life lease arrangements; therefore, they were asked which features they considered to be best. Surprisingly, the majority of the clients (57%) and spouses (60%) said they did not feel they knew enough about the terms of the life lease to respond to questions about it. Only one family member felt this way. Respondents liked the ability to live with their spouse (20%), a guaranteed amount of money on termination of the lease (10%), and the leasing organization handling resale (8%). Both the latter features were mentioned again at T3 by 40 per cent of clients.

#### **Objective 5: To determine whether LHS meets the needs of the clients, from the perspective of all parties**

Generally, all—clients, spouses and family members—indicated that LHS had met their expectations.

At the T2 interviews, approximately one month after clients made the decision to move into LHS, a substantial majority of the clients, spouses, and family members said they were satisfied with the clients' physical accommodations.<sup>14</sup> Ninety-four per cent of the family members said they would recommend a life lease to someone else. Clients were less certain (47%), but a large majority of spouses (78%) agreed.

At T3 interviews, one year after clients had moved to LHS, the majority of clients and spouses remained satisfied with the accommodations in which the client had decided to live. Only one couple was a little dissatisfied. All of the family members interviewed at T3 remained well satisfied with LHS. When clients, spouses, and family members were asked what they would consider shortfalls of the life lease, at this time, they answered as follows: there is no investment profit (13%), the lump sum payment makes the building unaffordable to some (11%), the return of money at the end of the lease is confusing (7%), client's equity is all invested in the life lease (4%), and the spouse may have to move if the client dies (4%).

#### **Objective 6: To determine the type of advice professionals offer to clients during the clients' transition from home to residential long-term care**

Some of the professionals who often advise elderly persons about making a transition from home to facility-based long-term care had inaccurate information about LHS and lacked confidence in explaining the features of a life lease to a client.

The majority of professionals interviewed (60% of 15) said the type of tenure (i.e., property-holding) was not a consideration when they were advising clients who were looking at housing options. The rest of the professionals provided clients with information on all appropriate locations and allowed the client to determine which option was preferred. A substantial majority (80%) had heard of a life lease, although most said they did not feel overly confident in explaining the features to a client. A number seemed confused over the admission criteria for the life lease setting. Some recommended LHS inappropriately (e.g., to a client with an Alzheimer's disease diagnosis).

Less than half (40%) of the professionals who had brochures on LHS said they regularly provided them to clients. Half of the professionals interviewed thought the life lease was a good idea, but 25 per cent were impartial and the remaining 25 per cent said it was not a good idea. Two (15%) of the professionals had never recommended the LHS to a client, and one who did not like the concept said she would not encourage any client to consider this option.

<sup>14</sup> Those associated with four clients who had not moved to LHS were also satisfied with their accommodations.

## CONCLUSIONS

The results of this study provided insights into the concerns that both seniors and their families have with life-lease agreements and what they value in condominium-style living. This study illustrated a new way of meeting the needs of frail elderly persons who do not want institutional solutions. The Laurier House model successfully unbundles government-funded long-term care services from the costs of housing and support services in a way that persuaded elderly clients, their spouses, and families to invest in the housing component where their care is provided. Married clients said LHS appealed to them because it allowed them to continue living with their spouse. The setting appealed to unmarried clients primarily because it offered a private suite rather than a smaller (and perhaps shared) room in a nursing home. Equal numbers of married and unmarried elderly clients moved into LHS, suggesting the life lease supportive housing concept appealed equally well to both the client group who wished to avoid leaving a spouse and the client group seeking more space and privacy.

## RECOMMENDATIONS

Some specific recommendations emerged from this study, including the following:

- Developers of supportive housing who wish to appeal to family members might focus on including transportation services. Almost all family members helped their elderly relatives with transportation
- Life leases could be improved, and in the view of some study participants made more affordable, if the lump sum payment could be divided into several instalments
- The persistent concerns that a few holders of life lease agreements had with the terms of the life lease, suggest that operators could do more to help clients, companions, and family members understand specific terms of the lease
- Because the life-lease housing concept is not well understood, operators of life lease housing, in cooperation with other interested parties, could hold workshops to discuss how life lease works, how it can be developed, marketed, and managed - while showing how workshop participants might play a role in life lease housing in their community. These workshops would target operators of assisted living residences, healthcare centres, seniors housing, and potential partners for public-private partnerships in seniors housing.



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**Research Report:** Life Lease Supportive Housing: Combining the Best Aspects of Housing and Complex Care

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